

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS-101/Accounting System Development and Maintenance

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I. Goal

The goal of the program is to satisfy the following requirements:

- A. Making changes and modifications in the accounting system (including the design and implementation of an adequate system of internal controls to encompass the changes or modifications in the accounting system) that appear to be in the best interest of the State and counties, as promulgated by Section 40-2 of the Hawaii Revised Statutes (HRS).
- B. Determining the forms required to adequately supply accounting data for the State government, maintaining the applicability, relevancy and uniformity (i.e., classification, numbering and standardization of such forms in terms of design, dimension, color and grade of paper) of accounting forms in Statewide use, and recording such forms in a catalogue of Statewide accounting forms, as promulgated by Section 40-6 of the HRS.
- C. Providing the only cost efficient and feasible means of developing and implementing changes or modifications in the Statewide Accounting System (which includes the Financial Accounting and Management Information System or FAMIS, Payroll System, Central Warrant Writing System, Warrant Reconciliation System, and Time and Attendance System) to enhance or improve the functionality and/or internal controls of the system.

II. Objectives and Policies

- A. Systems Development and Implementation - Develop and implement new Statewide accounting applications and/or major enhancements to existing Statewide accounting applications to correct accounting deficiencies (i.e., non-compliance with Generally Accepted Accounting Principles or GAAP), improve operational efficiency by providing accounting applications with greater functionality or improved capabilities, and comply with changes in applicable State and Federal laws, and management policies.

- B. Systems Maintenance - Maintain existing Statewide accounting applications to improve operational efficiency and/or usability through continued monitoring of the system's performance in providing useful and timely information, and collaboration with users on a Statewide basis to identify, develop and implement system modifications due to changes in applicable State or Federal laws, or management policies that will benefit all system users.
- C. Statewide Accounting Controls - Establish and maintain proper internal control over Statewide accounting functions through the use of Statewide Accounting Manuals to safeguard assets against loss or waste, and provide reasonable assurance that the financial information generated from the Statewide Accounting System can be relied upon to fairly present the financial position of the State for a given accounting period by prescribing the accounting policies of the State and standardizing the accounting methods and practices of the State.
This function also controls the content, format, flow and timing of accounting information required by applications comprising the Statewide Accounting System through the use of Statewide Accounting Forms (SAFORMs). Use of standardized accounting forms promote operational efficiency through maintenance of applicable, uniform and consistent information.

III. Action Plan with Timetable

- A. Objective/Policy #1 - Systems Development and Implementation
 - 1. Required Actions – The following major actions/tasks are usually required to develop and implement all new Statewide accounting applications (custom software is developed only when the purchased software cannot properly satisfy the requirements of the new system, and interfaces are developed only when the new system is required to share data with other systems):
 - a. Project Management of State Resources
 - b. System Scope and Requirements Definition
 - c. Purchased Software Installation, Configuration, and Testing
 - d. Gap Analysis and System Functional Design Development
 - e. System Process and Document Re-engineering
 - f. Custom Software Requirements Definition, Programming, and Testing
 - g. System Interface Requirements Definition, Programming, and Testing
 - h. User Manual and Training Documentation Development

- i. User Training
 - j. Pilot Implementation
 - k. Statewide Deployment
- 2. Implementation Timetable - The Department of Accounting and General Services (DAGS) is in the process of implementing a new Time and Attendance (T&A) System to replace the current manually intensive process of collecting time and attendance information, and calculating gross pay.
 - a. Past year Accomplishment - All major actions/tasks to develop and test the new T&A System and implement the system in the Pilot Department, including migration of the Pilot to the Production Platform have been completed.
 - b. One Year – Statewide deployment of the T&A System is scheduled to be completed by the end of the year.
 - c. Two Years –The system will then move into the “maintenance” phase and be covered by Objective/Policy #2 (see below).
 - d. Five Years – The system will be in the “maintenance” phase (see Objective/Policy #2 below).
- 3. Other Statewide accounting systems that are targeted to begin development within the next five years are presented below. The system selected for development will depend on the priorities of the Administration and availability of resources.
 - a. Payroll System
 - b. Financial Accounting and Management Information System
 - c. Fixed Asset and Inventory System

B. Objective/Policy #2 - Systems Maintenance

- 1. Required Actions – The following systems maintenance functions are required to maintain all Statewide accounting applications:
 - a. User Support
 - b. System Modification and Enhancement
 - c. System Analysis and Re-engineering

2. Implementation Timetable - User Support is performed on an on-going basis. System Modification and Enhancement, and System Analysis and Re-engineering are performed as required.

- a. One Year

- 1) Development and implementation of Laser Printed Checks for all funds and laser signature printing for checks issued by the Executive Branch as enhancements to the Central Warrant Writing System
- 2) Assistance with the development and implementation of Electronic Purchase Orders as an enhancement to FAMIS
- 3) Development and implementation of an electronic transfer process for direct deposit of payroll to employee bank accounts and payroll deductions to third party agents as an enhancement to the Payroll System

- b. Two Years

- 1) Development of SAFORMs in PDF format and making the forms available to departments and agencies via the State's Intranet
- 2) Assistance with the development and implementation of Procurement Cards
- 3) Development and implementation of electronic form capability for other SAFORMs

C. Objective/Policy #3 – Statewide Accounting Controls

1. Required Actions

- a. Statewide Accounting Controls are required to ensure that the accounting policies and procedures of the State:

- 1) Comply with the Generally Accepted Accounting Principles (GAAP) and pronouncements from GASB

- 2) Include adequate accounting controls for all Statewide accounting applications
 - 3) Reflect management's expressed authorization with regard to the treatment of a given accounting event and processing of accounting transactions related to that event
 - b. The three areas of Statewide Accounting Controls are:
 - 1) Statewide Accounting Manual Revisions
 - 2) Other User Manual Revisions
 - 3) Forms Control
2. Implementation Timetable - Forms Control is performed on an on-going basis. Statewide Accounting Manual Revisions and Other User Manual Revisions are performed as required.

IV. Performance Measures

- A. Customer Satisfaction measure – Key departments are involved with the development of new systems to provide input into the design and functionality of the new systems. Departments are also contacted periodically to inquire on needs and changes that would impact them.
- B. Program Standard measure – Due to the difference in the scope and complexity of each Systems Development and Implementation project, Systems Maintenance project, or Statewide Accounting Controls activity, the amount of time and resources needed to complete each project or activity will differ. As such, the measures used by the program are based on past experience of what can reasonably be accomplished for the given timeframe.
- C. Cost Effectiveness measure – Cost effectiveness is measured by the variance in amounts budgeted vs. actual expenditures.